


25 June 1976

MEMORANDUM FOR: NIOs & PP

SUBJECT : DKIQs

Attached for your information is a package on the FY77
DKIQs forwarded by Col. Hanks. A copy of the complete DKIQ
draft -- one inch thick -- is available in the front office for
those who are interested in perusing it.


Executive Officer
National Intelligence

STAT

Distribution:

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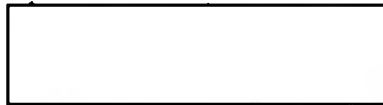
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13 May 1976

NOTE FOR: See Distribution

Attached is a fifth option for a follow-on KIQ/KEP program, submitted for consideration in the forthcoming discussion on that subject. The discussion previously scheduled for Thursday, 13 May, at 1:00 in the ICS Conference Room is being rescheduled. Please add this fifth option to the four forwarded under IC 76-2305 of 12 May 1976.

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Human Resources Division

Attachment:
As Stated

ACTION

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Option Five

This option would make KIQs primarily a close support instrument of the NSC and its functional groups, while strengthening the role of DCID 1/2 as a central planning reference regarding national intelligence needs. The revised procedures would provide a more structured evaluation process.

Distinguishing Features

- KIQ system structured to represent issues and concerns of NSC and Department principals; DCID 1/2 to highlight continuing information gaps and problems.
- KIQs limited to 50, referenced as feasible to DCID 1/2 priorities.
- CFI sponsors the program; briefs NSC re Community performance; issues guidelines for performance improvement.
- NIOs responsible for formulating/updating KIQs and for determining extent of user satisfaction.
- IC Staff responsible for reviewing collector and producer performance; monitoring implementation of improvement guidelines.
- Strategy reports on new KIQs only.
- CIRIS data excluded from process.

Management

Under this option the CFI would broker for the NSC to ensure a proper role for the KIQs and DCID 1/2 relative to

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the NFIP. The CFI would draw staff support from the Office of Policy and Plans, IC Staff. Substantive support to the CFI would come from the NIOs and from the Office of Performance Evaluation and Improvement, IC Staff.

KIQ Formulation and Operating Strategy

KIQs would be formulated by the NIOs in consultation with principals in the NSC Functional Groups, the NFIB and Key intelligence users in the various departments and agencies. The NIOs also would consult with producers regarding the stated close support needs of this user audience on key intelligence issues and near-term current intelligence matters. Selection of KIQ topics would be based on:

- general high policy concern in relation to some phase of the subject, e.g., MBFR, Yugoslavia succession;
- a need to energize a new field of high policy interest, e.g., international trade policy, terrorism, Africa;
- continuing inability to resolve an intelligence issue that is of direct concern to the NSC, its Functional Groups or the NFIB.

The KIQs would not be prioritized for purposes of collection/production response. However, should there be a direct substantive relationship between a KIQ and a national intelligence need prioritized in DCID 1/2 that relationship

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would be noted. Information gaps and intelligence issues pressing upon the production community but not of direct issue to the NSC or the NFIB would not be addressed in the KIQs, but would be highlighted in DCID 1/2 and in normal requirements channels. No KIQs would be "designated" for particular emphasis by collectors or producers.

Strategy Reports

Following promulgation of the KIQs the Office of Performance Evaluation and Improvement, IC Staff, would consult with collection and production managers to establish the overall state of knowledge on any new KIQ, and to discuss any significant changes in the Community's collection/production capabilities regarding the continued KIQs. This dialogue would serve to assist collection/production managers in program planning, and assist the IC Staff in subsequent review of collector/producer performance relative to the KIQs. Formal strategy reports would not be prepared except as may be requested by the CFI. All listed KIQs are to receive collection/production consideration appropriate with the national intelligence need priority indicated in DCID 1/2.

KIQ Evaluation Procedures

CIRIS data would not be included in the performance review process. Each collector and producer entity would be required to keep its own record of reporting/production which addressed KIQs in a direct and substantive manner, and document all known

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use made of the actionable or finished intelligence product plus evaluative testimony from users of the product. This record would be provided to the Office of Performance Evaluation and Improvement, IC Staff, for collation and review. The Office would verify this data and testimony within the Intelligence Community and report to the Office of Policy and Plans concerning the performance of collectors and producers relative to the KIQs. The review findings also would be provided to the NIOs.

The NIOs would consult with the principals of the NSC Functional Groups, with the NFIB and Key users in other departments and agencies to determine the degree of user satisfaction on each KIQ, and to obtain recommendations for updating the KIQs. The NIO findings would be provided to the Office of Policy and Plans, which would draft the report to the CFI. The CFI would forward the report to the NSC for information, approve the new KIQ List and provide appropriate follow-on instructions for the improvement of performance.

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DRAFT
12 May 1976

This memorandum outlines four options for continuing a KIQ/KEP program. The assumption is that a KIQ system of some type is a useful way of peaking the response of US intelligence to current priority needs. As such, the KIQs add specificity to more generalized listings of priority intelligence objectives and detail the sorts of data that are necessary to properly analyze activities in priority areas both in terms of information and product needs.

A KIQ Evaluation Process (KEP) is a necessary adjunct of the KIQ program. An annual audit of performance:

- highlights problems--particularly continuing ones,
- helps surface resource issues,
- supports annual reporting to the NSC and PFIAB, and
- provides the DCI with an objective appraisal of Community performance on priority issues.

The KIQ/KEP process of recent years has exhibited several basic flaws that should be corrected or ameliorated. The primary deficiency is a lack of central management, but other weaknesses prevail throughout the process. The KIQs and their related Strategy Reports have several weaknesses.

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The KIQs:

- indicate no priorities
- are not always consistent with DCID 1/2
- present a mix of general and specific questions

The Strategy Reports:

- have received uneven attention by NIOs
- are not designed to aid evaluation process

The formal evaluation process also has several deficiencies:

Performance Reports:

- lack an established set of performance criteria
- are often self-serving
- are generally uneven, and often superficial
- are underattentive to analysis that does not reach interagency product

CIRIS expenditure data:

- are based on arbitrary decisions on KIQ-related costs
- lack uniformity within the Community
- provide little basis for cross-source comparisons

Evaluation of Consumer Performance:

- is too dependent on NIO Performance Reports
- has had no systematic assessment of consumer satisfaction

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The following set of options for a revised KIQ/KEP program offers various ways of structuring a program for the future. Each in some way would improve upon the old system and, if well implemented, would develop the KIQ/KEP system into a more useful package for intelligence managers and overseers.

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Option One

This option would revise the KIQ procedure to provide internal prioritization and limit the number of KIQs to be given special emphasis in any one year. The revised procedures would provide a more structured evaluation process.

Distinguishing Features

- IC Staff management.
- Distinguishes "Designated KIQs" for special attention; limited to 15. *Must be specific.*
- NIOs continue Strategy Reports for all KIQs and quantify performance on Designated KIQs only.
- General KIQ performance evaluation prepared by IC Staff.
- CIRIS data excluded from process.

Management

Under this option, management of the KIQ/KEP program would be the responsibility of the Office of Policy and Plans, IC Staff.

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The principal substantive support would be provided by the Office of Performance Evaluation and Improvement and the NIOs.

KIQ Formulation and Operating Strategy

KIQs would continue to be formulated by the NIOs in consultation with intelligence producers and consumers. The list would be issued annually by the DCI with the advice of the NFIB. It is assumed that the majority of questions would be repeats of previous years but care should be taken to reflect current intelligence and policy needs. Removal from the list would not necessarily reflect a change in intelligence priority.

The list of KIQs normally would be expected to number no more than 50. These would be prioritized according to the priority given the related subject in DCID 1/2. In addition, several KIQs--with a maximum of 15--would be "Designated" for particular emphasis by collectors and/or producers over the coming year. Selection of Designated KIQs would be based on:

- general high policy concern in relation to some phase of the subject, e.g., MBFR, Yugoslavia succession;

specific

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- continuing inability to resolve an intelligent issue, e.g., missile accuracy, Soviet military expenditures; and
- a need to energize a new field of high policy interest, e.g., international trade policy, terrorism, Africa, etc.

All listed KIQs are to receive the attention appropriate with the priority indicated in DCID 1/2. In providing priority focus on Designated KIQs, no resources would be taken off other KIQs if such change affected the maintenance of satisfactory performance on those KIQs.

Strategy Reports

Following promulgation of the KIQs, the NIOs would prepare Strategy Reports through interagency forums. The IC Staff and the NIOs would be responsible to develop a more rigorous format for Strategy Reports to aid the performance evaluation program. Strategy Reports for routine KIQs would generally conform to on-going collection and production plans. Many could be looked upon as an updating exercise. Those Strategy Reports concerning Designated KIQs, however, would be expected to initiate new collection requirements and revised production plans or schedules and to specify experimental analytic projects where appropriate.

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KIQ Evaluation Procedures

The revised KIQ evaluation process would replace the present three stage process with a single performance evaluation by the IC Staff. CIRIS data would not be included in this assessment but might be analyzed using performance findings in some other IC study in direct support of resource utilization studies.

The IC Staff evaluations would be in two sections, each somewhat different in approach and purpose. The first section would evaluate performance against the Designated KIQs. This evaluation would focus on progress toward the goals outlined in the KIQs, noting achievements and deficiencies. The second section would evaluate performance against the remaining KIQs, grouped under substantive objectives as at present, and would focus on the general level of performance in response to continuing needs. All evaluations would be based upon the assessment of performance as seen by the intelligence producers, consumers, and the NIOs, and would contain recommendations for improving performance.

- Producers would be asked to evaluate progress in terms of the utility of collected data, general satisfaction with collection performance and the value of collection resources. They would also assess analytical progress generally, including new research, data base improvements, significant findings, and the creation of actionable intelligence.

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- Consumer satisfaction would be assessed in terms of the responsiveness and timeliness of product and of ad hoc support on issues related to the KIQs.
- The NIOs would be asked to assess overall intelligence performance as viewed from the top and in relation to the needs of the DCI. Data would be quantified for the Designated KIQs as under the present system.

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Option Two

This option would continue the KIQ/KEP program along the lines of the past year, but with full management responsibility within the IC Staff. Resource expenditures would be eliminated from the evaluation.

Distinguishing Features

- IC Staff management.
- KIQ system structured as at present; number of KIQs limited to 50.
- NIOs continue KIQ Strategy Reports and Performance Reports.
- Evaluation process close to latest experiment by PAID.
- CIRIS data excluded from process.

Management

Under this option, management of the KIQ/KEP would be the responsibility of the Office of Policy and Plans, IC Staff. The principal substantive support would be provided by the Office of Performance Evaluation and Improvement and the NIOs.

KIQ Formulation and Operating Strategy

KIQs would continue to be formulated by the NIOs in consultation with intelligence producers and consumers. The list would be issued annually by the DCI with the advice of the NFIB. It is assumed that the majority of questions would be repeats of previous years but care

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should be taken to reflect current intelligence and policy needs.

The list of KIQs normally would be expected to number no more than 50. The KIQ list would not be prioritized but KIQs would be grouped under a reasonable number of substantive objectives (say 5 or 6). All KIQs would receive the attention appropriate with the priority given that subject in DCID 1/2.

Strategy Reports

Following promulgation of the KIQs, the NIOs would prepare Strategy Reports through interagency forums. The IC Staff and the NIOs would be responsible to develop a more rigorous format for Strategy Reports to aid the performance evaluation program. Strategy Reports for routine KIQs would generally conform to on-going collection and production plans. Many could be looked upon as an updating exercise. But there should be an honest attempt each year to change emphasis in collection and production plans to the specific aspects of the question where improved performance is needed. New KIQs would require a full baseline strategy.

KIQ Evaluation Procedures

The evaluation process would be similar to that attempted this year within the Office of Performance Evaluation and Improvement (OPEI). However, CIRIS data would not be used in this assessment.

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The NIOs would provide Performance Reports for each KIQ, based on revised criteria developed jointly by the IC Staff and the NIOs.

A summary evaluation of Community performance would be prepared by OPEI based upon the NIO Performance Reports, discussions with consumers, producers and collectors, and the continuing review of intelligence product by the Production Assessment and Improvement Division (PAID).

Option Three

This option would provide a truncated KIQ/KEP program by limiting the number of KIQ Strategy Reports and eliminating the annual evaluation of KIQ performance.

Distinguishing Features

- KIQ action substantially reduced.
- NIO management.
- All formal KIQ-related actions are responsibility of NIO.
- No formal evaluation of KIQ performance.
- CIRIS data excluded from process.

Management

Under this option management of the KIQ program would be the responsibility of the office of D/DCI/NIO.

KIQ Formulation and Operating Strategy

KIQs would continue to be formulated by the NIOs in consultation with intelligence producers and consumers. The list would be issued annually by the DCI with the advice of the USIB. It is assumed that the majority of questions would be repeats of previous years but care should be taken to reflect current intelligence and policy needs. Removal from the list would not necessarily reflect a change in priority.

The list of KIQs normally would be expected to number no more than 50. These would be prioritized according to the priority given

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the related subject in DCID 1/2. In addition, several KIQs--with a maximum of 15--would be "designated" for particular emphasis by collectors and/or producers over the coming year. Selection of designated KIQs would be based on:

- general high policy concern in relation to some phase of the subject, e. g., MBFR, Yugoslavia succession;
- continuing inability to resolve an intelligence issue, e. g., missile accuracy, Soviet military expenditures; and
- a need to energize a new field of high policy interest, e. g., international trade policy, terrorism, Africa, etc.

All listed KIQs are to receive the attention appropriate with the priority indicated in DCID 1/2. In providing priority focus on Designated KIQs, no resources would be taken off other KIQs if such change affected the maintenance of satisfactory performance on those KIQs.

Strategy Reports

Following promulgation of the KIQs, the NIOs would prepare Strategy Reports using interagency forums on the Designated KIQs only. Strategy Reports would be expected to initiate new collection requirements and revised production plans or schedules and to specify experimental analytic projects where appropriate. For this reason the

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NIOs should develop a more rigorous format for Strategy Reports so that they, for their own purposes, can best measure Community performance in regard to the Designated KIQs.

KIQ Evaluation Procedures

Under this option there would be no provision for an annual review of KIQ performance. To the degree thought necessary to assess action against priority needs, general observations on KIQ performance would be included in the annual appraisals of consumer satisfaction to be prepared by the IC Staff.

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Option Four

This option would simplify the KIQ procedure and concentrate on strict management controls throughout the Community to improve KIQ-related data for input in the CIRIS. The evaluation process would be designed to eventually support resource studies and decisions.

Distinguishing Features

- IC Staff management.
- KIQs limited to 50; no internal prioritization.
- NIOs formulate KIQs. Strategy Reports and Performance Reports eliminated.
- Stringent criteria established for all CIRIS data records for developing firm inputs to resource decisions.
- IC evaluation of KIQ performance. Development of techniques for eventual use of CIRIS data in KIQ evaluations.

Management

Under this option, management of the KIQ/KEP program would be the responsibility of the Office of Policy and Plans, IC Staff. The principal support would be provided by OPBD and OPEI.

KIQ Formulation and Operating Strategy

KIQs would continue to be formulated by the NIOs in consultation with intelligence producers and consumers. The list would be issued annually by the DCI with the advice of the NFIB. It is assumed that the majority of questions would be repeats of previous years but care should

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be taken to reflect current intelligence and policy needs. Removal from the list would not necessarily reflect a change in intelligence priority.

The list of KIQs normally would be expected to number no more than 50. These would be prioritized according to the priority given the related subject in DCID 1/2.

Strategy Reports

Under this option the purpose of the KIQs is to specify the issues and types of data that are currently of most concern within the topics noted in DCID 1/2. In this sense KIQs are advisory to consumers, producers, collectors, and processors. Therefore, no interagency Strategy Reports would be prepared but each intelligence component would be expected to take appropriate actions to fulfill KIQ objectives.

KIQ Evaluation Procedures

Evaluation of KIQ performance would be the total responsibility of the IC Staff, using entities of the Office of Program and Budget Development and the Office of Performance Evaluation and Improvement. Evaluations would stress the development of techniques that would eventually support resource decisions. The evaluations therefore would tend to offer more quantitative data than the latest IC KIQ evaluation attempt.

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Under this option, there would be a special effort to develop reporting criteria for CIRIS data that would allow better measurements of the resource implications of the KIQs. Within the Staff, CIRIS officers will work closely with collection and production elements of OPEI to establish those reporting criteria that best suit evaluation needs. Within the Community, the IC Staff would establish common reporting standards and definitions that would provide comparable performance records from all collection and production components. ||

The purpose of the above evaluation would be to provide data on the expenditure implications of KIQ-related performance within the Intelligence Community in order to better indicate comparative performance, to better measure the total effort against Key Intelligence Questions, to assess the comparative value of collection resources, and to indicate the proportion of intelligence effort devoted to the KIQs. Information of this type would be used primarily within the Staff in support of IC responsibilities.

A more subjective evaluation of KIQ performance would be provided in the annual evaluation of intelligence performance prepared by OPEI to support the CFI and the DCI's Annual Report to the President.

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IC 76-2306
12 May 1976

NOTE FOR: Richard Lehman

Attached is the option paper on a follow-on
KIQ system that I discussed with you this
afternoon.

We are meeting on this Thursday afternoon.
If you have suggestions, you can either get them
to me or to and we will add them to
our discussion.



DC/PAID

Attachment:
As stated

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INFORMATION